



Montana Public Service Commission

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PSC Determines Wind Rate

The Public Service Commission (PSC) on a 4 to 1 vote* determined today that Northwestern Energy (NWE) can charge a Montana wind project, Two Dot Wind (TDW), up to \$5.65 per megawatt hour for integrating wind generated power into the company's system. The integration rate is then subtracted from the amount NWE would otherwise pay TDW for power, making NWE's final costs for the wind generated energy as low as \$44.25 per megawatt hour.

The figures were determined using a complicated formula based on three factors including the amount of energy the wind project can produce at full capacity, known as "nameplate capacity" and TDW's "percentage variability," or the relative variability of the project's output when compared to other wind generators in the NWE system. NWE's total costs incurred to balance TDW's output with customer demand and output from other generators was also considered.

"Unlike other sources, wind is intermittent. Using it in a power grid requires the addition of other sources," noted PSC Chair Greg Jergeson. "How much does this additional step cost--and who should pay for it--are the questions the PSC answered today for Northwestern Energy and Two Dot Wind. This decision represents a fair balance reflecting the Commission's careful consideration of the enormous body of evidence compiled in the case," he added.

Video and audio archives of the PSC's discussion on this decision are at <http://psc.mt.gov/eDocs/#Calendars>.

Made up of 5 elected commissioners, the PSC works to ensure that Montanans receive safe and reliable service from regulated public utilities while paying reasonable rates. Utilities regulated by the PSC generally include private investor-owned natural gas, electric, telephone, water, and sewer companies. In addition, the PSC regulates certain motor carriers, and oversees natural gas pipeline safety and intrastate railroad safety.

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* Commissioners voting yes: Jergeson, Mood, Raney, and Toole

Commissioner voting no: Molnar